

State to explore utility options

By TOM CALLIS Hawaii Tribune-Herald

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The state Energy Office is being given \$1.2 million to study various utility models, including public and private options.

Lawmakers included the funding in the 2016-17 budget sent to Gov. David Ige on Tuesday.

The fiscal document says the office will use the funds to evaluate “alternative utility and regulatory models including ... cooperative, municipal and independent distribution system operators.”

An Energy Office spokesman said there is no deadline for completing the analysis, but it is expected to be finished by the next legislative session.

“Our first step will be to undertake a full and comprehensive scoping of what can realistically be achieved given the budget and direction of the Legislature,” said Mark Glick, Energy Office administrator, in an email.

“Part of this scoping effort will be identifying opportunities to leverage resources through our relationships at the state and federal level so we can fully explore what utility and regulatory structures can best help Hawaii meet its energy policy and deployment objectives.”

The funding comes as regulators mull a proposed sale of Hawaiian Electric to Florida-based NextEra Energy Inc., and while a group called the Hawaii Island Energy Cooperative pushes for a publicly owned alternative.

Kauai, which has an energy cooperative, is the only island with a utility not owned by Hawaiian Electric.

Marco Mangelsdorf, spokesman for HIEC, referred to the study as “definitely a good thing.”

“All the talk of getting to 100 percent renewable in power generation will require more than rhetorical support, so this is an important step,” he added.

The budget says the study will look at the following parameters: achievement of state energy goals; consumer cost savings; the enabling of a competitive distribution system; and reduction in conflicts of interest in energy planning, delivery and regulation.



HIEC Director Marco Mangelsdorf

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Additionally, it says the study will look at long-term cost benefits for each model and for each county.

The Energy Office is under the Department of Business, Economic Development and Tourism.

This session, lawmakers also passed a bill allowing special purpose revenue bonds to be used to create a publicly owned utility.